

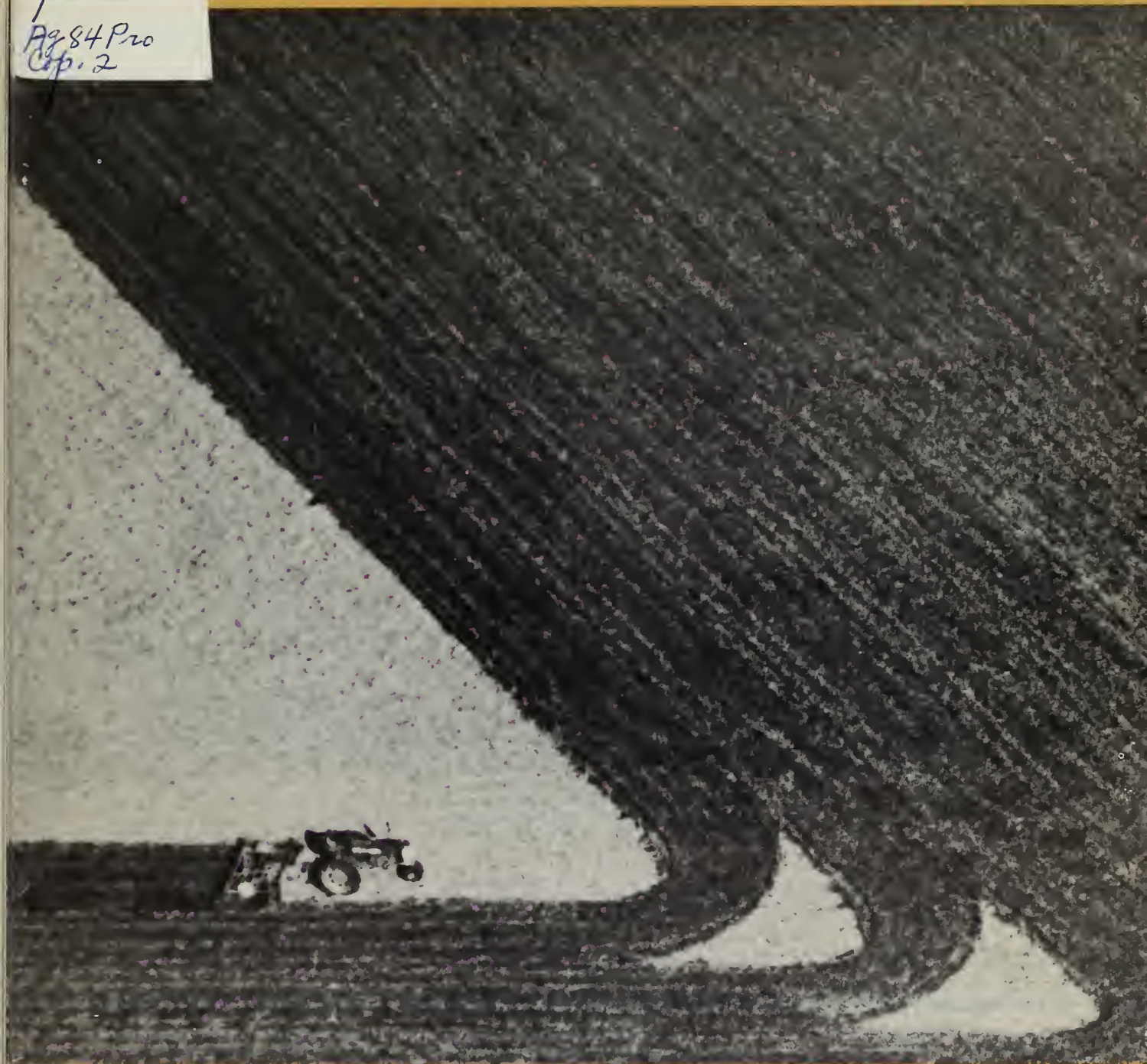
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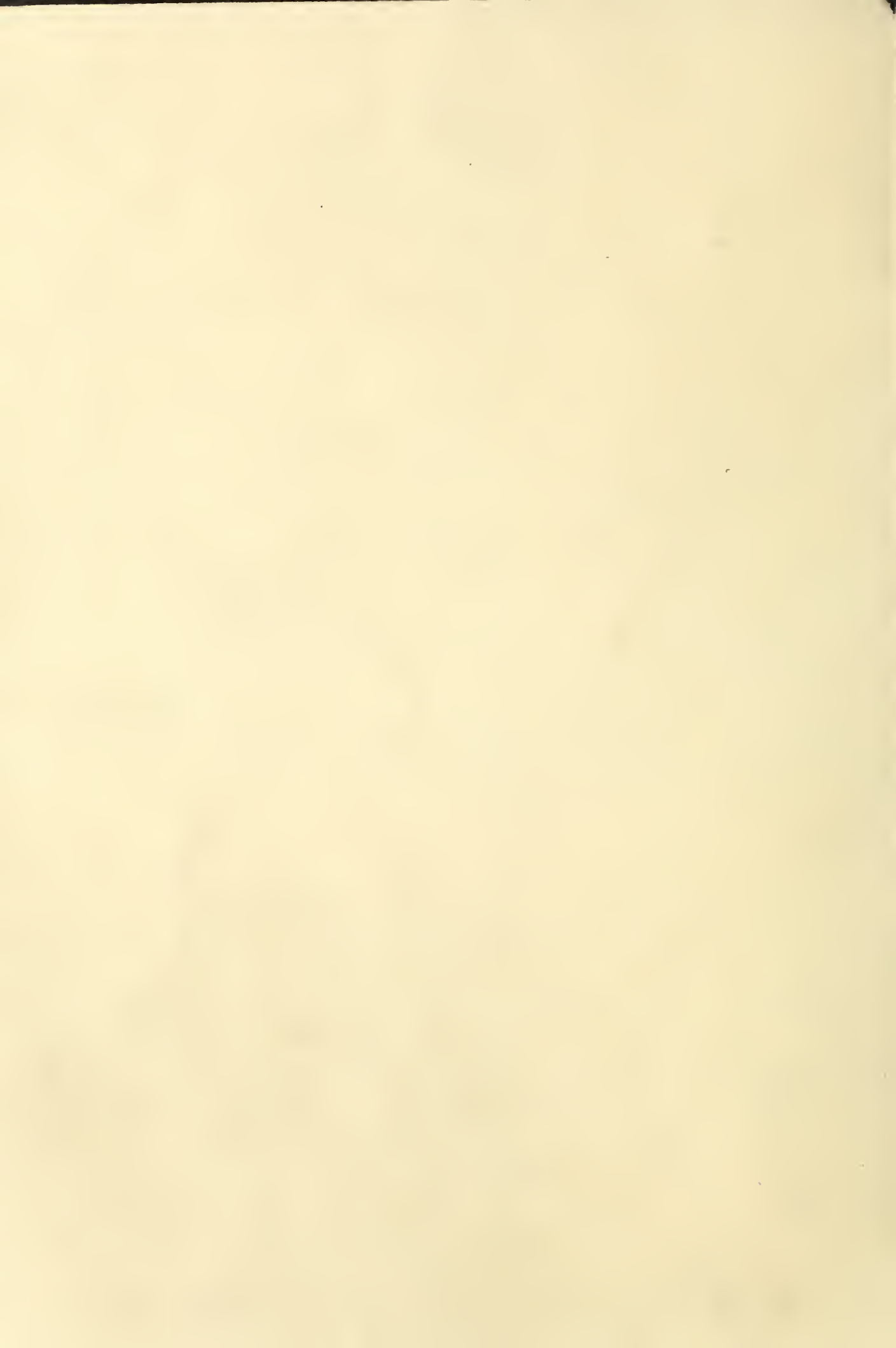


FEDERAL ALL-RISK CROP INSURANCE ...WHY

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THE ONLY TIMECLOCK is a calendar. Headed home, tractor and its operator will part only briefly. For when the right time is *now* the farmer's workday is measured in acres rather than hours.

A FARMER'S PLACE OF BUSINESS is with his land and his machinery. It is here at work that his days and dollars are invested in the hope of harvesttime repayment.



**fifty-two weeks
of working,
spending, hoping . .
for one payday.**



THIS IS PAYDAY. When and if it comes, it's the day when investment is recovered and work is rewarded. But more than just a reward for the past, it's a stake for the future . . . the money to invest again next year.

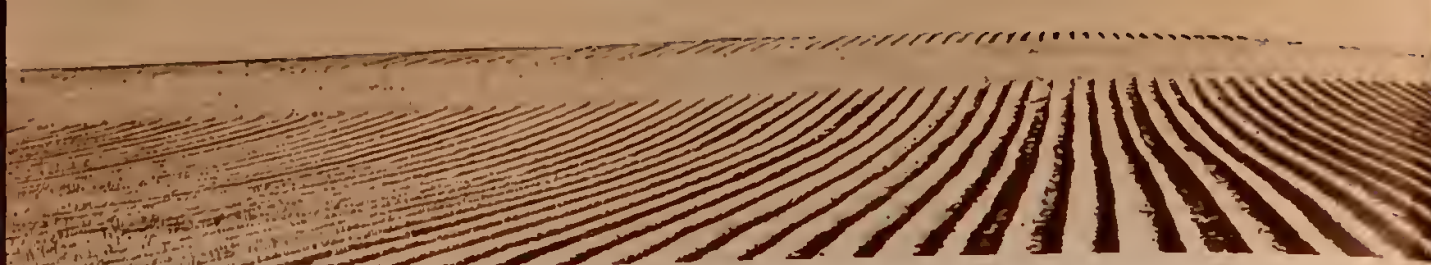
THE BUSINESS OF FARMING

The distant chugging of a farm tractor grows closer and louder and then just as quickly disappears in a trail of freshly-plowed earth. Millions of tiny seeds planted in its wake will, if all goes well in the months ahead, give rise to a bumper crop.

But every farmer knows far too well it's a long time from planting time to harvest time. And things don't always go well. Day by day hazards can abruptly cancel hours and dollars of investment. Insects and disease are constant enemies. Weather is a fickle friend. Worry and hope are the farmer's closest companions.

Such is the business of farming. This is the way it has always been; a crop is the sum of man's work and nature's whims. It is a business whose only consistency is uncertainty. There is no guaranteed pay, no guaranteed paydays.

Dollars, however, are only a measure. The real story of the business of farming is a story of people . . . of men and their families engaged in a fast-changing, high-risk occupation, an occupation where the pencil has become as important as the plow. The pages that follow provide a picture report that may have a familiar ring.



RURAL FARMSCAPES like this one, often stretched as wide as the eye can see, provide a visible expression of farming's changing face. Today's family farm is nearly half again larger than in 1950, despite a doubling of land costs.

◇ **DICKERING FOR A DEAL**, the decision to purchase modern machinery is a decision of necessity. Bigger acreage dictates more equipment. And, to make it pay, more equipment dictates bigger acreage. Each year's tab: A billion-and-a-half dollar outlay for new farm machinery and three billion more to maintain and operate it.

THE UPS AND DOWNS OF FENCES. Ripped from its footings and hoisted skyward, thousands of farm fences annually yield to unrelenting pressure for expansion. Within weeks the steel blades of a plow will erase the last signs that this one field was formerly two.

SEEDS BY THE MILLIONS And fertilizer and herbicides and insecticides and pesticides and the list goes on. Confronted with high costs of land and the machinery to farm it, no investment is spared in today's push for higher yields.



THE FACE OF FARMING IS CHANGING

Indeed, farming is changing. Plenty of impressive statistics prove it. Farm people, though, need no charts to tell them what's happening. They're making the statistics!

Improved know-how, better tools, and more capital weave an endless pattern of expansion. First came new ways to earn more profit. These and the investment they involve provide both the means and the need to get bigger. In turn, bigger farms dictate a still bigger investment, and high fixed costs. And so the pattern goes, as high fixed costs demand improved know-how and better tools in order to earn top dollar from each acre, each year.

All across the land, the face of farming is changing. Farmers like those pictured are making a hefty financial commitment to their business of farming. On the average, compared to ten years ago, they farm half again

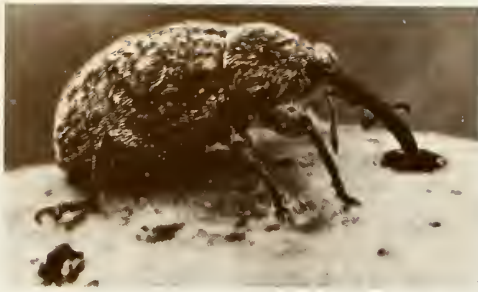
more acres, have roughly double the amount of machinery and equipment investment, spend almost twice as much on annual production expenses and, to help pay for it all, use nearly three times as much credit.

So it comes as no surprise that the investment per man in agriculture is about double that in industry, or that it continues to climb at a rapid clip.

But this is only one of the ways farming is changing. Today's farmer is changing, too. For one thing, he's an expert money manager. With a sizable investment at stake, he has to be. He knows all too well that one wrong decision, or unnecessary risk, can wipe out years of savings. His decisions must be right ones.

The changes in farming, though complex and challenging, can be summed up in a word: opportunity.





SOME THINGS NEVER CHANGE

Just as the opportunity for larger profits has increased, so too has the risk of larger losses. For insects, disease, and weather perils remain—unchanged—a farmer's toughest competitors.

What's more, they enjoy an important competitive edge: *their* harvest can begin even before the first seedling shows its first signs of green. Yields are a measure of what remains!

Annual insect losses, it's estimated, total upwards of \$2 billion. And crop diseases take an annual toll of nearly \$3 billion. Together, they destroy production equal to more than one acre of every ten! Weather-caused losses, although not subject to precise estimate, are even larger.

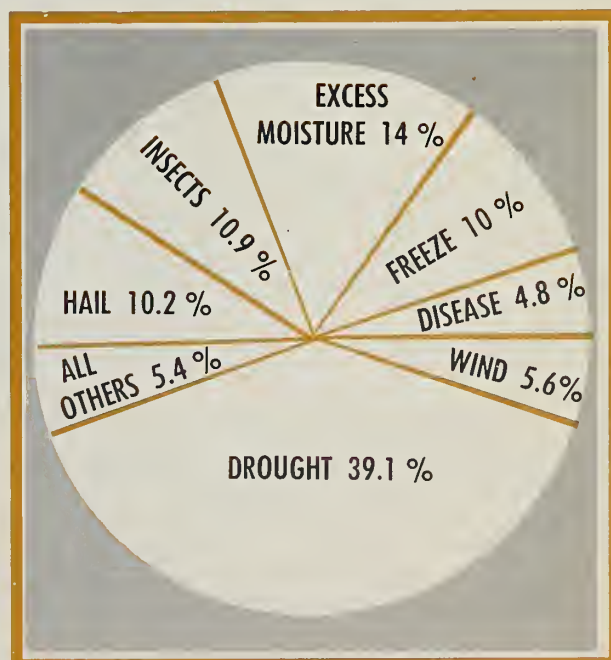
Even more impressive is the impact of risk on an *individual* farmer's business. The reason is obvious: While some farmers may escape crop losses entirely in any given year, those who are hit are frequently struck a devastating blow. And in many instances, such losses tend to be compounded. That is, unfavorable weather conditions provide ideal conditions for insects to take over. Or insects may cause a crop to be more vulnerable to weather damage, or to disease.

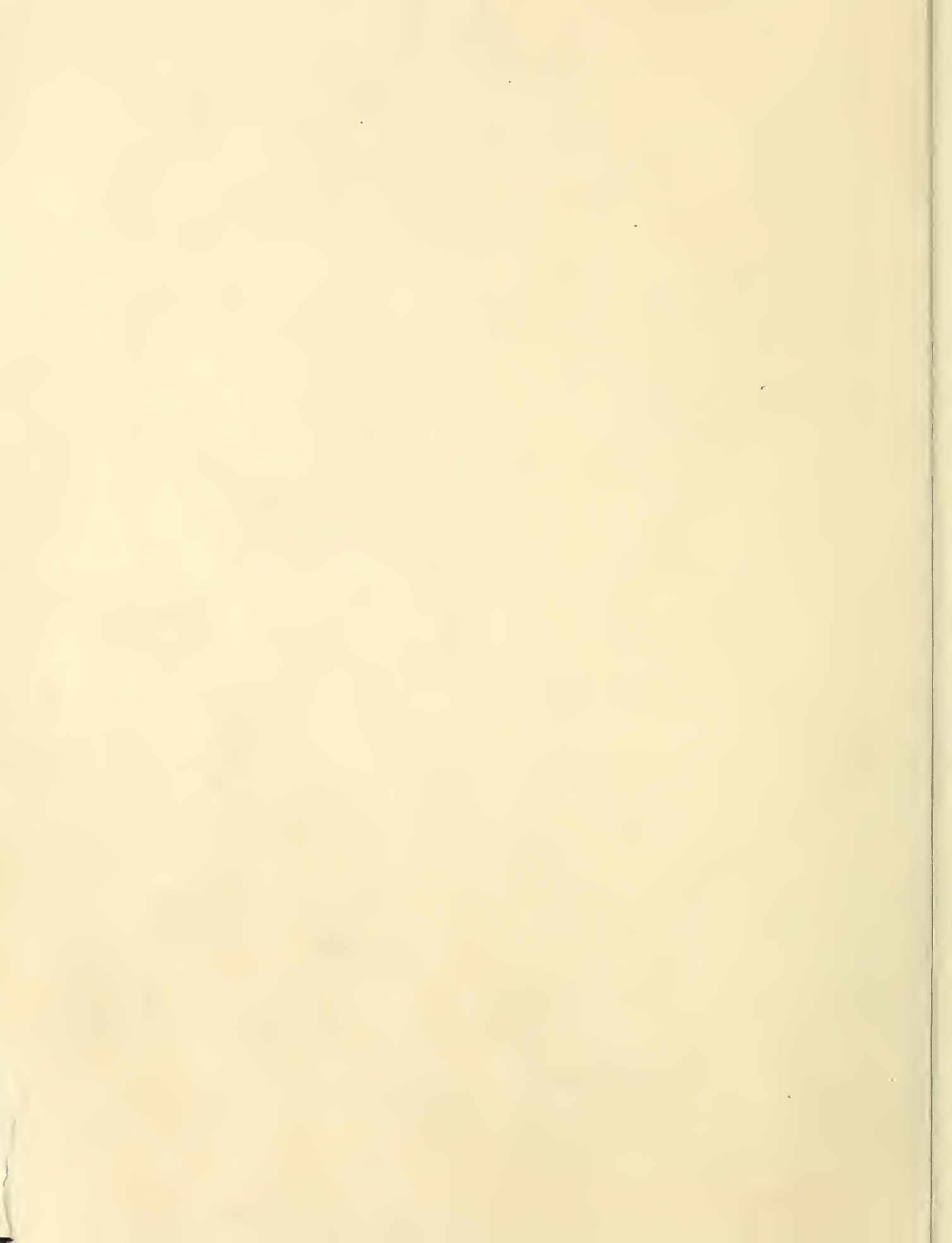
Bigger investments, higher yields, and narrower profit margins likewise increase an individual farmer's vulnerability to crop losses. Risk has no regard for dollars.

Still another hazard: High-cost, specialized machinery and equipment required for modern farming means that farmers are less and less able to sidestep risk through diversification.

However else farming may change, risk changes only its victims.

THE ONLY CERTAINTY is the *uncertainty* of what losses will strike which farmers which year. But still the past remains the best available guide to the future. The pie chart compares by categories the major causes of crop losses.







THE SOMBER IMPRINT OF DEJECTION is unspoken testimony that a crop loss is never measured entirely in dollars. What was to have been this farmer's "one more crop" to fatten a fund for retirement instead wiped out years of savings.

WHEN A CROP IS LOST

The ravages of nature seldom settle for a single year's profits. When an investment is lost, it often represents the loss of four or five or more years' profits: savings from past profits and borrowed money that must be repaid from future profits.

How then does one measure the loss of a crop, the loss of a payday? There is, of course, no one answer. Each farm family must provide its own.

For some, a serious financial wallop may wipe out the money needed to farm again next year.

Or a modern farm business built on years of personal sacrifice may suffer a heartbreaking setback.

For others, the lost income may have been earmarked for downpayment on addi-



tional land, new equipment, or badly needed buildings.

Or perhaps it was money that was to have paid for a college education, or money that was to have rewarded many years of work with at least a few years of retirement.

Whatever the answer, the impact of crop loss rarely stops at the farm fence. The jarring effects are frequently felt from feed dealer to furniture store. Debt repayment slows and new purchases dwindle to a near halt. When, as is often the case, crop disaster is areawide, an entire community may have to tighten its belt.

But the brunt of a loss is nonetheless the farmer's. And if a business is hurt by it, it is first of all his. Even something less than a total crop failure can still pack a painful economic punch.

WHEN A CROP IS LOST, so also are many of the things its profit was to have bought. As in this case, that once in a generation opportunity to buy adjacent acres.



NEXT YEAR, maybe. A crop loss and the sharp drop in income that follows mean purchases which *can* wait usually *must* wait.

NEXT YEAR may be too late if college education for a son or daughter is gambled on the whims of weather, insects, and disease.

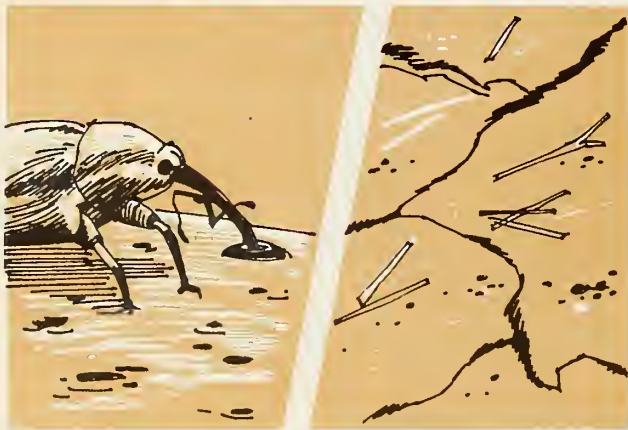


PROFIT MARGINS
LIKE THIS

MEAN

ONE YEAR'S CROP LOSS EQUALS
THE LOSS OF FIVE YEARS'
PROFIT

FEDERAL CROP INSURANCE IS PAYDAY INSURANCE



ALL RISK means exactly that, *all* risk!
If a cause of crop loss is unavoidable,
it's automatically insured. In fact, the
only cause that *isn't* is poor farming practices.

Through Federal Crop Insurance, farm families can protect the money they invest in their crops against all unavoidable risks.

Simply put, All-Risk Federal Crop Insurance is payday insurance. It's assurance that hard-to-come-by capital invested at the start of every year will be recovered at the end of every year. It's a guarantee that if yields or quality are too low to cover approximate production costs, insurance indemnities will.

Much more so than in years past, today's businessminded farmer is forced to make plans—and financial commitments—that stretch far into the future. His projections must be calculated with a pin-point precision that leaves no room for an "if" in front of income.

By using Federal Crop Insurance, farmers are able to plan and spend ahead with confidence that each and every year they'll harvest a crop—of dollars!

Federal Crop Insurance is also tailored to the needs of young farmers, short on capital, who must build their business year by year and crop by crop. For such a farmer, insurance can be the difference between crop failure and business failure.

Or, as one policyholder explained it, "Federal Crop Insurance is my money-back guarantee."

When a crop that is meant to be like this . . .



LOOKING AHEAD is where *getting* ahead begins, for tomorrow's profits are largely the result of today's decisions . . . the right decisions!



PLANNING AHEAD is how getting ahead *happens*. To pay off, decisions must be translated into action. Unwilling to run the risk of no payday, the farmer will decide on a specific course of action: Crop Insurance protection for his investment.

turns out like this . . .



Federal Crop Insurance provides the payday.





WHO CROP INSURANCE PROTECTS

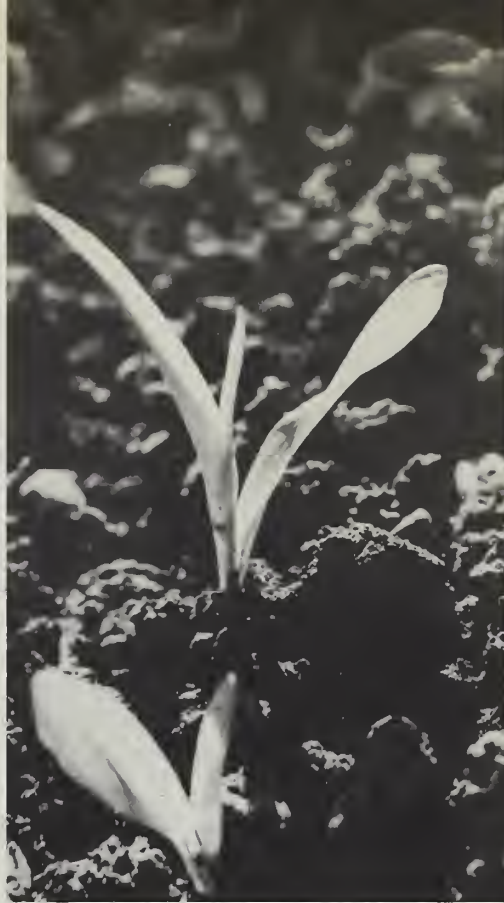
Farmers in a majority of the Nation's major agricultural counties can now obtain Federal Crop Insurance protection. The number of counties is being expanded.

Policies are written on the following crops (although not all crops are covered in each county):

Apples	Peanuts
Barley	Potatoes
Cherries	Raisins
Citrus	Rice
Corn	Safflower
Cotton	Soybeans
Dry edible beans	Sugar beets
Flax	Tobacco
Grain sorghum	Tomatoes
Oats	Tung nuts
Peas	Wheat
Peaches	

Anyone with a financial interest in an insurable crop—and who follows sound production practices—is eligible to apply for a Federal Crop Insurance policy. The policy provides protection for their entire production within the county, on rented acres as well as owned. Tenants and landlords may obtain protection, separately, on their share of the crop.

Many policyholders exercise a collateral assignment feature which extends protection—in effect, guarantees repayment—to his bank or other lenders. Any indemnity checks will be made payable jointly to farmer and lender. With guaranteed income pledged as collateral, credit is more readily available, and often on more favorable terms.



INSURANCE PROTECTION is effective right from the start of the season. Deadline to apply for a policy is usually several weeks before planting.

THE CROP is insured at every stage of its growth. Coverage is continuous because risk is continuous.

AT HARVEST, the policy pays an indemnity whenever the yield and quality are less than guaranteed.

HOW CROP INSURANCE PROTECTS

When a farmer invests and risks his money in a crop, he must get at least a certain yield of good quality production in order to cover his costs. Federal Crop Insurance guarantees him this level and quality of production.

If a policyholder's crop falls short of the guarantee, Federal Crop Insurance indemnities make up the difference, in cash.

Here's how it works: Federal Crop Insurance Corporation draws on years of experience and detailed records to determine, area by area, the yield local farmers must be able to count on to protect their investment. This, of course, will vary from state to state, county to county, and often even within the same county.

Once a guaranteed yield is established, a value is decided on for each bushel or pound. That is, the price which the policyholder is to be paid for each bushel or pound that his

damaged or destroyed crop is below the guarantee.

For most crops the price is selected by the policyholder himself, at the time the insurance contract is written. In this way, each farmer is able to tailor his Crop Insurance to his individual needs.

Annual premiums are set at a level that, over the years, will cover indemnity payments. (On the average, 95¢ of each \$1 of premiums has been paid out to farmers in indemnities and the balance is held in reserve.) Just as risks vary from area to area, premium rates per dollar of insurance protection vary accordingly.

Substantial discounts from regular premium rates are given to policyholders fortunate enough to have a low record of losses. And, of course, premiums are a tax-deductible business expense.



THE DUST BOWL of the thirties jolted a nation into action. From it came a conviction and a way—Federal Crop Insurance—that farmers could protect their investments from such ravages of nature.



CORN AND ALFALFA hug the contour of fertile farmland that only a year earlier had been hard-hit by drought. All-risk Crop Insurance paid the indemnities that helped make *this* picture possible.

CROP INSURANCE IS NOW . . . FOR THE FUTURE

It's an old saying but no one yet has come up with a better way of saying it: "The future is what you make it."

Nowhere more so than in farming is each today a threat to all of the tomorrows that follow. For whatever each family's plans for the future may include, the common denominator is income. Not only savings are at stake. Income lost to crop disaster also means fewer resources remain with which to produce future income.

This is the reason that, through All-Risk Federal Crop Insurance, thousands of farm families protect the security of their future against the constant hazards of the present. The future is surer with Crop Insurance.

LIVESTOCK FEEDERS use Crop Insurance, too. Should this farmer's own feed crop be damaged or lost, insurance means money to help replace it.



BACON IN THE MAKIN' furnishes these farm youngsters with a tubfull of fun. While a price can be put on a farm crop, who's to say the value of farm *living*? Actually, it doesn't really matter; by protecting farm income, Crop Insurance protects both.



WORRIES OVER, a crop headed for the crib symbolizes the way *every* year should end. Crop Insurance is for the years that don't. This year, perhaps!

ADDING 'EM UP: Land, labor, capital, and management are four ingredients of farming success. The fifth is Crop Insurance . . . to be sure.



FEDERAL

ALL-RISK

CROP INSURANCE